

MEMORANDUM FOR STEVENS FILE

27 July 1948

1. Szegedy-Maszak.

The explanation of why Stevens doubts that we could use SM as our contact with the Central Committee of dissident Hungarians is that during the early stages of these discussions SM wrote to Hungary in Western Europe asking them for their views on the question and the actions that this proposed group should take. He was given a dressing-down by Eckhardt and the other members of this group for this action. Stegens said that while there are differences of opinion within the group all are agreed that there must be unity of action and this move of SM was regarded as one which might bring about dis-unity. SM could be used for ~~independent~~ independent action through his friends in Europe but not through ~~the~~ American group according to Stevens. Most of SM's friends are in the diplomatic set, and are represented by Stevens as Apor, Besenyi, Dohloff, and others.

2. Bator.

He worked with G92 during the War at the suggestion of Allen Dulles, to whom he had been sent by Eckhardt. Eckhardt warned him not to work with OSS because he, Eckhardt, regarded OSS as being too Leftist. Bator says that ~~some of the~~ some of information attributed to Francis Deak came thru Bator. He said that he was a lawyer for the PET and ~~some~~ another chemical concerns and that Bator got information in his legal capacity which he passed on to Deak. He was asked He worked with Mr. _____ of the State Dept.

Stevens made the suggestion that Deak write up his proposals ~~if possible~~ which I had instructed him to do. Bator jumped at the ~~stupid~~ suggestion, and wrote a memo which we have in our files on his own. I showed the draft to Stegens.

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2. BATOR

He worked with G-2 during the War at suggestion of Allen Dulles, to whom he had been sent by Eckhardt. Eckhardt warned him against working with OSS because Eckhardt considered OSS as being too Leftist. Bator says that ~~some~~ ^{most} of the information attributed to Francis Deak came thru Bator. He said that ~~he~~ ^{he} was a lawyer for the PET and other chemical concerns and that he got information in his legal capacity which he passed on to Deak. He was working with Mr. _____ of State Department.

Stevens made the suggestion that ^{Bator} ~~Deak~~ write up his proposals which I had instructed him to do. Bator jumped at the suggestion and wrote a memo ^{which we} have in our files. I showed the draft to Stevens, but he denied doing any work on it. Bator did not sign it because he is aware of the necessity for security precautions in matters of this sort.

According to Stevens, Bator made the following statements as a supplement to his memo. These statements were not included in the memo because Bator was not sure to whom the memo was being sent. Bator prefers that Pfeiffer be sent to Europe as soon as possible to organize the dissident Hungarians now in Western Europe. Stevens says that Pfeiffer is an able man and one with a Messiah complex. His presence in Europe would effectively kill any strong anti-regime Hungarian group, even Farkas would have to subordinate himself to Pfeiffer's plans. Bartok intends that Pfeiffer will go ahead on his own as an organizer of all the dissident Hungarians and that he will have Pfeiffer begin to develop ways and means of smuggling the Napoleon into Hungary and obtain names of individuals presently in Hungary who could be used to supply information that could be printed in the Napoleon.

Bator intends that these organized efforts which will be fairly open should act as a smoke screen for his real purpose which is to ^{syphon} ~~some of the names that Bator develops and to use them himself for clandestine intelligence procurement.~~ off some of the names that Bator develops and to use them himself for clandestine intelligence procurement. He proposes that he make a trip to Europe under his legitimate business cover and that he get in touch with more people over there, some of whom he knows of now, others of whom would be developed by the Pfeiffer and Payr. Stevens said that many of those known to Pfeiffer and Payr are old Social Democrats who are now in the United Workers' Party and and should be in a position to ~~assist~~ furnish some useful intelligence.

Bator intends to use Hogyi, Mihaly formerly of the Hungarian Legation ~~and is~~ still in Europe ^{to assist} ~~if he is associated with these matters.~~ When asked to explain Bator's desires to this ~~sort of work,~~ Stevens said that he wanted credit for doing this necessary job in the event that there is ever a question as to whether or not he has become a good citizen of the U.S. Stevens said that Bator was not too concerned over receiving immediate financial assistance and he pointed out to him that the propositions that Bator had forwarded through him were quite general and vague and that no financial assistance could be given on the basis of these items. Stevens said that Bator intends to go ahead with these ~~ideas~~ ^{ideas} anyway and that the financial support could come later as it was required and as if ~~it is~~ ^{it is} thought the government's while. However, he does need to know that the government would at ~~least~~ ^{least} agree and not disapprove ~~with~~ ^{of} his proposed action. He said that Pfeiffer would have to have some sort of official backing to go in the American occupied zones of Austria and Germany, that he could not ~~accomplish~~ ^{accomplish} his purpose simply in Paris and Switzerland.

I told Stevens that a request for someone to contact Bator was in the mill,
and that he should tell Bator that he had talked with his friends in Washington
this weekend and the general reactions was as stated above. It was quite
possible that someone would get in touch with him subsequently; the individual
who gets in touch with him will be "Robert Daniels" who will call for an
appointment and say that he would like to talk with him about "insulators."